

AMENDED IN SENATE JUNE 28, 2006

AMENDED IN SENATE JUNE 22, 2006

AMENDED IN SENATE JUNE 15, 2006

AMENDED IN ASSEMBLY MAY 26, 2006

AMENDED IN ASSEMBLY APRIL 17, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2515

Introduced by Assembly Member Ruskin
(Coauthor: Senator Kuehl)

February 23, 2006

An act to ~~amend Section 25402 of the Public Resources Code, and to add Section 2714.5 to the Public Utilities Code, relating to water conservation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2515, as amended, Ruskin. Water conservation: *report*.

~~(1) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), after one or more public hearings, to take specified action to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy. Existing law requires the commission, by January 1, 2004, to amend specified regulations to require that residential clothes washers manufactured on or after January 1, 2007, be at least as water efficient as commercial clothes washers, and to take certain other related action.~~

~~This bill would require the Energy Commission, after one or more public hearings, to prescribe, by regulation, building and construction standards that increase the efficiency in the use of water for new residential and nonresidential buildings and water conservation design standards for new residential and nonresidential buildings. The bill would authorize the Energy Commission to prescribe, by regulation, specified cost-effective measures that include water consumption labeling not otherwise preempted by federal law.~~

~~(2) Existing~~

~~Existing law authorizes the Public Utilities Commission (PUC) to regulate public utilities, including water corporations.~~

~~This bill would require the PUC to prepare and submit to the Legislature, on or before by June 30, 2008, a report that describes and recommends a ratemaking mechanism and rate design that will encourage water conservation and efficient water use. The bill would require the report to be consistent with the progress achieved toward implementing the policy objectives of the PUC's Water Action Plan, adopted December 15, 2005, and to include specified matter.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2714.5 is added to the Public Utilities
- 2 Code, to read:
- 3 2714.5. The commission shall, by June 30, 2008, prepare and
- 4 submit to the Legislature, a report that describes the progress
- 5 achieved toward implementing the policy objectives of the
- 6 commission's Water Action Plan, adopted December 15, 2005,
- 7 which includes all of the following:
- 8 (a) The progress achieved toward development and
- 9 implementation of a ratemaking mechanism and rate design that
- 10 will encourage water conservation and efficient water use.
- 11 (b) The progress achieved toward development and
- 12 implementation of rates that remove the financial disincentive for
- 13 water corporations to conserve water that exists in the current
- 14 rate structure, while preserving continued revenue stability for
- 15 water corporations as new rate structures are implemented.

1 (c) *The impacts of water conservation and efficiency programs*
2 *on future water, energy, and wastewater treatment costs to*
3 *customers of water corporations.*

4 SECTION 1. ~~Section 25402 of the Public Resources Code is~~
5 ~~amended to read:~~

6 ~~25402. The commission shall, after one or more public~~
7 ~~hearings, do all of the following, in order to reduce the wasteful,~~
8 ~~uneconomic, inefficient, or unnecessary consumption of energy~~
9 ~~and water:~~

10 ~~(a) Prescribe, by regulation, lighting, insulation climate control~~
11 ~~system, and other building design and construction standards that~~
12 ~~increase the efficiency in the use of energy and water for new~~
13 ~~residential and new nonresidential buildings. The standards shall~~
14 ~~be cost-effective, when taken in their entirety, and when~~
15 ~~amortized over the economic life of the structure when compared~~
16 ~~with historic practice. The commission shall periodically update~~
17 ~~the standards and adopt any revision that, in its judgment, it~~
18 ~~deems necessary. Six months after the commission certifies an~~
19 ~~energy conservation manual pursuant to subdivision (c) of~~
20 ~~Section 25402.1, no city, county, city and county, or state agency~~
21 ~~shall issue a permit for any building unless the building satisfies~~
22 ~~the standards prescribed by the commission pursuant to this~~
23 ~~subdivision or subdivision (b) that are in effect on the date an~~
24 ~~application for a building permit is filed.~~

25 ~~(b) Prescribe, by regulation, energy and water conservation~~
26 ~~design standards for new residential and new nonresidential~~
27 ~~buildings. The standards shall be performance standards and shall~~
28 ~~be promulgated in terms of energy consumption per gross square~~
29 ~~foot of floorspace, but may also include devices, systems, and~~
30 ~~techniques required to conserve energy and water. The standards~~
31 ~~shall be cost-effective when taken in their entirety, and when~~
32 ~~amortized over the economic life of the structure when compared~~
33 ~~with historic practices. The commission shall periodically review~~
34 ~~the standards and adopt any revision that, in its judgment, it~~
35 ~~deems necessary. A building that satisfies the standards~~
36 ~~prescribed pursuant to this subdivision need not comply with the~~
37 ~~standards prescribed pursuant to subdivision (a). With respect to~~
38 ~~energy conservation design standards, the commission shall~~
39 ~~comply with this subdivision before January 1, 1981.~~

~~(e) (1) Prescribe, by regulation, standards for minimum levels of operating efficiency, based on a reasonable use pattern, and may prescribe other cost-effective measures, including incentive programs, fleet averaging, energy and water consumption labeling not preempted by federal labeling law, and consumer education programs, to promote the use of energy efficient appliances whose use, as determined by the commission, requires a significant amount of energy on a statewide basis. The minimum levels of operating efficiency shall be based on feasible and attainable efficiencies or feasible improved efficiencies that will reduce the electrical energy consumption growth rate. The standards shall become effective no sooner than one year after the date of adoption or revision. No new appliance manufactured on or after the effective date of the standards may be sold or offered for sale in the state, unless it is certified by the manufacturer thereof to be in compliance with the standards. The standards shall be drawn so that they do not result in any added total costs to the consumer over the designed life of the appliances concerned.~~

~~(2) No new appliance, except for any plumbing fitting, regulated under paragraph (1), that is manufactured on or after July 1, 1984, may be sold, or offered for sale, in the state, unless the date of the manufacture is permanently displayed in an accessible place on that appliance.~~

~~(3) During the period of five years after the commission has adopted a standard for a particular appliance under paragraph (1), no increase or decrease in the minimum level of operating efficiency required by the standard for that appliance shall become effective, unless the commission adopts other cost-effective measures for that appliance.~~

~~(4) Neither the commission nor any other state agency shall take any action to decrease any standard adopted under this subdivision on or before June 30, 1985, prescribing minimum levels of operating efficiency or other energy conservation measures for any appliance, unless the commission finds by a four-fifths vote that a decrease is of benefit to ratepayers, and that there is significant evidence of changed circumstances. Before January 1, 1986, the commission shall not take any action to increase any standard prescribing minimum levels of operating efficiency for any appliance or adopt any new standard under~~

1 paragraph (1). Before January 1, 1986, any appliance
2 manufacturer doing business in this state shall provide directly,
3 or through an appropriate trade or industry association,
4 information, as specified by the commission after consultation
5 with manufacturers doing business in the state and appropriate
6 trade or industry associations on sales of appliances so that the
7 commission may study the effects of regulations on those sales.
8 These informational requirements shall remain in effect until the
9 information is received. The trade or industry association may
10 submit sales information in an aggregated form in a manner that
11 allows the commission to carry out the purposes of the study.
12 The commission shall treat any sales information of an individual
13 manufacturer as confidential and that information shall not be a
14 public record. The commission shall not request any information
15 that cannot be reasonably produced in the exercise of due
16 diligence by the manufacturer. At least one year prior to the
17 adoption or amendment of a standard for an appliance, the
18 commission shall notify the Legislature of its intent, and the
19 justification therefor, to adopt or amend a standard for the
20 appliance. Notwithstanding paragraph (3) and this paragraph, the
21 commission may do any of the following:

22 (A) Increase the minimum level of operating efficiency in an
23 existing standard up to the level of the National Voluntary
24 Consensus Standards 90, adopted by the American Society of
25 Heating, Refrigeration, and Air Conditioning Engineers or, for
26 appliances not covered by that standard, up to the level
27 established in a similar nationwide consensus standard.

28 (B) Change the measure or rating of efficiency of any
29 standard, if the minimum level of operating efficiency remains
30 substantially the same.

31 (C) Adjust the minimum level of operating efficiency in an
32 existing standard in order to reflect changes in test procedures
33 that the standards require manufacturers to use in certifying
34 compliance, if the minimum level of operating efficiency remains
35 substantially the same.

36 (D) Readopt a standard preempted, enjoined, or otherwise
37 found legally defective by an administrative agency or a lower
38 court, if final legal action determines that the standard is valid
39 and if the standard that is readopted is not more stringent than the
40 standard that was found to be defective or preempted.

1 ~~(E) Adopt or amend any existing or new standard at any level~~
2 ~~of operating efficiency, if the Governor has declared an energy~~
3 ~~emergency as described in Section 8558 of the Government~~
4 ~~Code.~~

5 ~~(5) Notwithstanding paragraph (4), the commission may adopt~~
6 ~~standards pursuant to commission order No. 84-0111-1, on or~~
7 ~~before June 30, 1985.~~

8 ~~(d) Recommend minimum standards of efficiency for the~~
9 ~~operation of any new facility at a particular site that are~~
10 ~~technically and economically feasible. No site and related facility~~
11 ~~shall be certified pursuant to Chapter 6 (commencing with~~
12 ~~Section 25500), unless the applicant certifies that standards~~
13 ~~recommended by the commission have been considered, which~~
14 ~~certification shall include a statement specifying the extent to~~
15 ~~which conformance with the recommended standards will be~~
16 ~~achieved.~~

17 ~~Whenever this section and Chapter 11.5 (commencing with~~
18 ~~Section 19878) of Part 3 of Division 13 of the Health and Safety~~
19 ~~Code are in conflict, the commission shall be governed by that~~
20 ~~chapter of the Health and Safety Code to the extent of the~~
21 ~~conflict.~~

22 ~~(e) The commission shall do all of the following:~~

23 ~~(1) Not later than January 1, 2004, amend any regulations in~~
24 ~~effect on January 1, 2003, pertaining to the energy efficiency~~
25 ~~standards for residential clothes washers to require that~~
26 ~~residential clothes washers manufactured on or after January 1,~~
27 ~~2007, be at least as water efficient as commercial clothes~~
28 ~~washers.~~

29 ~~(2) Not later than April 1, 2004, petition the federal~~
30 ~~Department of Energy for an exemption from any relevant~~
31 ~~federal regulations governing energy efficiency standards that are~~
32 ~~applicable to residential clothes washers.~~

33 ~~(3) Not later than January 1, 2005, report to the Legislature on~~
34 ~~its progress with respect to the requirements of paragraphs (1)~~
35 ~~and (2).~~

36 ~~SEC. 2. Section 2714.5 is added to the Public Utilities Code,~~
37 ~~to read:~~

38 ~~2714.5. (a) The commission shall prepare and submit to the~~
39 ~~Legislature a report that describes and recommends a ratemaking~~

1 ~~mechanism and rate design that will encourage water~~
2 ~~conservation and efficient water use.~~

3 ~~(b) The report shall be consistent with the policy objectives of~~
4 ~~the commission's Water Action Plan, adopted December 15,~~
5 ~~2005, and include all of the following:~~

6 ~~(1) An evaluation of the impacts of water conservation and~~
7 ~~efficiency programs on future water, energy, and wastewater~~
8 ~~treatment costs to customers of water corporations.~~

9 ~~(2) Recommendations for the implementation of one or more~~
10 ~~water conservation and efficiency programs.~~

11 ~~(3) A description of the progress toward developing rates that~~
12 ~~remove the financial disincentive for water corporations to~~
13 ~~conserve water that exists in the current rate structure, while~~
14 ~~preserving continued revenue stability for water corporations as~~
15 ~~new rate structures are implemented.~~

16 ~~(e) The report shall be completed and submitted to the~~
17 ~~Legislature on or before June 30, 2008.~~